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August 15, 2007

MEMORANDUM

TO: Legislative Education Study Committee

FR: David Harrell 

RE: STAFF REPORT: DUAL CREDIT PROGRESS REPORT

The purposes of this presentation are (1) to review the background and provisions of the dual credit legislation that the Legislative Education Study Committee (LESC) endorsed and that was enacted in 2007 (SB 943, or Laws 2007, Chapter 227); and (2) to report the status of the implementation of these new provisions.

Dual Credit in General:

Dual credit is an agreement between a school district and an institution of higher education that allows a secondary-level student to enroll in academic or vocational courses offered by the institution and to earn credit at both the secondary and postsecondary levels. Studies indicate that, among its benefits, dual credit allows students not only to earn credit at both levels simultaneously but also to obtain an early glimpse of college life. Dual credit programs may also encourage more students to consider higher education, especially students from underrepresented groups. Other benefits often cited include better completion rates for both high school and college; a reduction in the need for remediation; a shorter route to a high school diploma or college degree; a reduction in the cost of higher education; a reinforcement of the concept of life-long learning through an educational continuum; an alternative for students tempted to leave high school and enter the workforce; and, when offered through distance education, equitable access to higher education opportunities for students, whether rural or urban. The New Mexico Higher Education Department (HED) has called dual credit "one of the most effective policy tools for student retention in high school, increased high school graduation rates, and preparation for college."

LESC (Revised 7/30/08)

Dual Credit in New Mexico:

In New Mexico, prior to the enactment of the 2007 legislation, dual credit agreements have been governed almost entirely by agency rule (HED and the Public Education Department, or PED) rather than statute. In fact, the only statutory provision was enacted in 1990, when the Legislature amended several sections of statute governing two-year public postsecondary educational institutions to require a school district to transfer to the two-year institution the tuition and fees for any student enrolled in classes for dual credit. Although the statute never uses the term “dual credit” or the related term “concurrent enrollment,” which was the term in use at that time, the provisions were intended to address certain fiscal aspects of concurrent enrollment.

Another dimension to the issue – and a factor in the varied implementation of dual credit – is that the HED and PED rules have been in complete alignment only since September 2006, when HED promulgated a new rule that mirrors the PED rule that has been in effect since August 2005. In each case, however, the rule is more descriptive than prescriptive: that is, it merely enumerates, through some 15 questions, the points that dual credit agreements must address (for example, “What are the applicable requirements for awarding of credit by the high school and postsecondary institution respectively?”). Neither rule prescribes how the questions must be answered. Therefore, dual credit agreements throughout the state have remained subject to considerable variety, depending upon the arrangements that individual school districts and postsecondary institutions may have accepted. As PED explains, “Currently, data collection and reporting varies among the school districts, colleges and universities, and there are different methods of funding and accounting for the student FTE.”

It is no surprise, then, that dual credit has been an issue for the Legislature – the LESC in particular. During the 2003 interim, the LESC heard a presentation from a statewide advisory committee formed by PED and the Commission on Higher Education (CHE) in response to two joint memorials from the 2003 regular session – memorials, incidentally, that resulted from a study of dual credit conducted by the CHE and the State Department of Education (SDE) in 2001 and 2002. The goals of these memorials were to improve the state’s concurrent enrollment program (as it was called then), to have CHE and SDE establish a statewide advisory committee, and to have CHE and SDE establish a concurrent enrollment program policy.

Two of the most significant issues raised during the presentation in 2003 were (1) the lack of uniformity or consistency among the dual credit agreements between school districts and postsecondary institutions (particularly in terms of payment arrangements) and (2) the lack of reliable data on the number of students participating in dual credit throughout the state.

Among other recommendations, the statewide advisory committee proposed two regulatory or administrative actions focused on those two issues in particular:

- that PED and CHE develop a standard format, or template, for concurrent enrollment agreements to ensure a more comprehensive understanding of responsibilities and to prevent misunderstandings between the parties to a concurrent enrollment agreement; and
- that PED and CHE modify and align their respective data collection systems to obtain accurate concurrent enrollment data.

The advisory committee that testified to the LESC in 2003 also recommended amending statute to apply to four-year postsecondary institutions the provisions for the transfer of funds described above, and the LESC endorsed legislation to do so in 2004. The original bill was amended to add the following condition to the transfer of funds, to two-year and four-year postsecondary institutions alike: unless the school district and the postsecondary institution have agreed to waive or reduce tuition or fees. The LESC endorsed this legislation as amended in 2005 and again in 2006; but none of the bills ever passed.

One of the other outcomes of the 2003 presentation was that the LESC would continue to monitor the issue to ensure that dual credit was administered consistently and uniformly; consequently, the committee heard subsequent testimony on dual credit during the 2004 interim. At that time, the testimony essentially acknowledged that most of the issues raised during 2003 remained unresolved but that, nonetheless, participation in dual credit seemed to be increasing, at least among the two-year postsecondary institutions.

During the 2006 interim, the HED/PED Alignment Task Force formed the Dual Credit Curriculum Subcommittee to study the various aspects of dual credit programs and to make recommendations. Among other activities, this subcommittee drafted a proposed master agreement form for use by school districts and institutions of higher education, intended to make the agreements more uniform throughout the state. The subcommittee also recommended seeking a legislative appropriation in the 2007 session to fund and study a pilot project in dual credit that would lead to further recommendations for the 2008 session. SB 223 (2007) reflected these recommendations, but the bill did not pass.

Also in 2006, during the December LESC meeting, the committee asked the LESC staff to prepare legislation for funding and administering a dual credit program to address the issues that previous testimony had identified, to be introduced during the 2007 session. In response to that request, staff reviewed the work of the HED/PED Dual Credit Subcommittee of the Alignment Task Force, the work of other groups that preceded this subcommittee, rules of HED and PED, legislation introduced during previous sessions, the practices in a number of other states, and other information. SB 943 (Laws 2007, Chapter 27) is the product of this study as well as the recommendations of a small group convened by the Director of the LESC to represent secondary and postsecondary education, a group that reached consensus on the major provisions. The enacted legislation also reflects the recommendations of a number of other people representing HED, PED, public schools, postsecondary educational institutions, and the Legislature. As such, the legislation attempts to resolve the major outstanding issues with dual credit in that:

- it defines the program;
- it provides a uniform funding mechanism; and
- it requires uniform administrative procedures.

2007 Legislation:

Among its provisions, the 2007 dual credit legislation:

- defines the term “dual credit program” as “a program that allows high school students to enroll in college-level courses offered by a public post-secondary educational institution that may be academic or career-technical but not remedial or developmental, and simultaneously to earn credit toward high school graduation and a post-secondary degree or certificate”; and
- establishes two eligibility criteria for students wishing to participate in the program:
 - enrollment in a regular public school or charter school in one-half or more of the minimum course requirements; and
 - permission from a school counselor, the school principal, or the head administrator of a charter school.

In terms of funding, SB 943:

- requires the school district or charter school to pay for required textbooks and any course supplies through purchase arrangements with the bookstore at the postsecondary institution or some other cost-efficient method;
- requires the public postsecondary educational institution to waive all general fees for dual credit courses; and
- requires HED to revise procedures in the higher education funding formula to address enrollments in dual credit courses and to encourage institutions to waive tuition for students taking those courses.

The premise behind these funding provisions is that each party in the process – the public school or school district, the postsecondary institution, the student and his or her family, and the Legislature – should make an investment in the program.

While the investments by the school district or charter school and the postsecondary institution are explicit, the investments by the Legislature and the student are more implicit than explicit. That is, by making no provision for transportation to the site of a dual credit course or for any course-related fees, the bill assigns those responsibilities to the student or his or her family. The Uniform Master Agreement (see “Steps Toward Implementation,” below) suggests that, in some circumstances, the student may have access to transportation already provided by the district; but the student is not entitled to expect transportation to be provided. SB 943 also implies that the Legislature’s investment is to continue funding the student FTE through the Public School Funding Formula. The rationale behind this latter provision is that, even with several students enrolled in dual credit courses, the public secondary school must still meet its same commitments to provide teachers, classrooms, and other customary services for the rest of the student body.

In addition, SB 943 requires HED and PED to promulgate rules to specify certain features of the program not covered in law: such matters as the postsecondary courses eligible for dual credit, accommodations for special education students, distance learning opportunities, the annual collection and dissemination of data, and the other conditions that apply to a student’s enrolling in a dual credit course.

SB 943 also requires HED and PED to evaluate the dual credit program in terms of its accessibility to students statewide and its effect on student achievement in secondary education, on student enrollment and completion of higher education, and on school districts and public postsecondary institutions themselves. And the bill requires the two departments to make annual reports, including recommendations, to the Governor and the Legislature.

In addition, SB 943 deletes the language from 1990 noted above, which requires school districts to transfer to two-year postsecondary institutions the tuition and fees for students participating in dual credit. Given the other funding arrangements that the bill provides – waiver of general fees and a HED-determined method of encouraging institutions to waive tuition – these provisions are no longer needed.

The one amendment to SB 943 during the session was to add an acknowledgement that home school students who meet the criteria established by PED may take courses for dual credit as long as they pay the full costs of those courses themselves.

Finally, SB 943 supports several other education initiatives. Two of them were also enacted in 2007: the LESC-endorsed *Cyber Academy Act* (CS/HB 201 and CS/SB 209, or Laws 2007, Chapter 293 and Chapter 292, respectively), which will facilitate distance education as a means of offering courses for dual credit; and the bills calling for high school redesign (HB 584a and SB 561a, or Laws 2007, Chapter 307 and Chapter 308, respectively), which require school districts to offer options for course delivery, including dual credit, as part of the graduation requirements for students entering grade 9 beginning in school year 2009-2010.

The dual credit legislation also supports a number of existing programs that resulted from earlier executive or legislative initiatives.

- Because classes eligible for dual credit may be either academic or career-technical, the program supports the seven career clusters adopted by the Governor's Workforce Coordination and Oversight Committee.
- Dual credit courses also may be factors in the Educational Plan for Student Success (EPSS), which schools and districts use to meet students' needs related to academic achievement, in particular to enhance students' awareness of their high school curricular options and to prepare them for post-high school educational and career choices.
- Even more directly, dual credit classes will figure into each student's Next Step Plan, as a 2007 amendment to the 2003 statute specifies that dual credit courses are one of the curricular and course options about which students must be informed to ensure alignment with college and career-readiness. Such classes should be especially useful to seniors completing their final Next Step Plan about their commitments to higher education, employment, or other postsecondary options.

Steps Toward Implementation:

To implement the provisions of SB 943, HED and PED reconvened the subcommittee from 2006 as the Dual Credit Committee. Comprising more than 50 people – representatives of school districts, charter schools, and postsecondary institutions (two-year and four-year alike);

secondary and postsecondary faculty and administrators; educational associations; higher education councils and associations; HED, PED, and the Office of Education Accountability; and staff from the LESC and the Legislative Finance Committee – this committee has met three times during the 2007 interim. Through these meetings, supplemented by a variety of other meetings and conference calls of subcommittees and ad hoc workgroups, the members of this committee reached consensus on most of the documents and procedures required to implement the dual credit program.

The Uniform Master Agreement

Perhaps the central feature of the dual credit program, the Uniform Master Agreement specifies the circumstances that must apply to all dual credit agreements throughout the state. It also recognizes that certain circumstances – the specific courses available for dual credit, for example – may vary from one district to another. Divided into three main parts – General Provisions, Specific Provisions, and Term and Filing of Agreement – the Uniform Master Agreement addresses the following components, among others: the scope of the agreement; the definition and purposes of the program; the eligibility and approval of courses and students; the responsibilities of the postsecondary institution, the district or charter school, and the student; and the specific courses available for dual credit. It also contains the Dual Credit Request Form that the student must complete to participate in the program.

Revised Agency Rules

For the sake of discussion, the Dual Credit Committee divided the agency rules between those addressing the program in general and those addressing the collection and dissemination of data. The final product, however, will be comprehensive identical rules promulgated by HED and PED that, unlike the present rules, will prescribe the features of the dual credit program. Among other provisions, the draft rule addresses the contents of the Uniform Master Agreement, the nature of the credit earned, the rigor of the courses, the faculty, the roles of the district or charter school and the postsecondary institution in advising students, the data fields to be collected and reported, and the other data-related responsibilities of HED and PED.

According to the timeline developed by PED, the draft rule will be submitted for legal review by the end of August, reviewed at a public hearing by the end of October, and published in the New Mexico Register by the end of December 2007. This schedule will allow thorough dissemination of the new arrangements to school districts and postsecondary educational institutions and give them time to prepare to implement the provisions for school year 2008-2009, which is the year by which school districts must offer a program of courses for dual credit and a program of distance learning courses.

Data Collection

Critical to the success of the dual credit program and a meaningful evaluation of the program is the collection of accurate data. Reliance upon accurate data is also in keeping with the LESC's approach to the 2007 interim. This effort has involved not only the Dual Credit Committee but also the HED/PED Data Group formed in response to HM 42 (2006) and SB 211 (2007) – the former requesting common, shared student data systems from pre-kindergarten to postsecondary education; and the latter requiring a uniform statewide teacher education accountability reporting system and common tracking of students into postsecondary education.

Perhaps the most significant development in this step is that, for the first time, the data staff from HED and from PED, together with institutional research (IR) staff from postsecondary institutions, are conferring, collaborating, and agreeing on data fields and methods of data collection. Among the specific issues that have been discussed during this collaboration are the proper requests for and uses of the student's Social Security number; record retention periods; the possibility of publishing a web-based list of courses available through dual credit, which may also be offered through the Cyber Academy; cross-tracking between systems of students' names and ID numbers, course ID numbers and names of schools, districts, and postsecondary institutions; collecting and reporting student grades; and tracking the costs associated with dual credit. One broad point of agreement was the decision to meet the Legislature's need for timely, accurate information as quickly as possible by devising a separate temporary method of collecting dual credit data during school year 2007-2008 and then developing a long-term method of collecting such data through the data systems used by HED and PED once the program is fully implemented. The IR and data staff are planning a retreat in September to continue the discussion and to agree upon more details.

Higher Education Funding Formula

As the committee knows, state law prescribes the Public School Funding Formula to support public elementary, middle, and high schools throughout the state. To support institutions of higher education, however, state law requires HED to "develop a funding formula that will provide funding for each institution of higher education to accomplish its mission as determined by a statewide plan." State law also requires HED to "be concerned with the problems of finance" of those educational institutions designated in the state constitution and other public postsecondary educational institutions in the state; and, in particular, to "be concerned with the adequate financing of these institutions and with the equitable distribution of available funds among them."

The Higher Education Funding Formula is based on historic enrollment and cost data. Most of the details of the formula HED has enumerated in agency rules; and through administrative functions HED uses the formula to make funding recommendations to the Legislature for each public postsecondary educational institution each year. One of the components of this formula is the tuition revenue credit, which the Legislature takes as an offset in determining funding levels through the *General Appropriations Act*. To encourage institutions to waive tuition for dual credit students, as state law now requires, HED intends through its administrative function to exclude from the calculation of tuition revenue credits those dual credit hours for which institutions waive tuition. Doing so will ensure that those hours are not counted against the institution in determining state funding levels.

Evaluation of the Program

Of the several steps toward full implementation, evaluation has received the least formal attention thus far as efforts have necessarily focused on developing a dual credit program to implement in school year 2008-2009. Even so, many of the other efforts – especially those directed toward data collection and dissemination – are providing tools that HED and PED will use to evaluate the program. And the two departments remain cognizant of their responsibilities for evaluation. Currently, they are considering reconvening the Dual Credit Committee to address the needs of evaluation.

In the meantime, HED and PED are also considering means of publicizing the program to encourage more students, schools, and postsecondary institutions to participate. These efforts will also contribute to evaluation by enlarging the sample sizes.

Policy Options:

Certainly as the dual credit program proceeds, the state's experience with the program may suggest amendments to improve it. The required evaluation may also produce recommendations as HED and PED monitor the effects of the dual credit program on students, secondary institutions, and postsecondary institutions. Even now, however, as the various agencies and parties have taken steps toward implementation of the program, several issues have arisen, suggesting policy options that the LESC may wish to consider.

The student eligibility criteria may present some policy options.

- One is the academic terms in which dual credit courses may be offered. The eligibility requirement of being enrolled in one-half or more of the minimum course requirements prescribed by PED seems, at least when read literally, to limit enrollment in dual credit to the fall and spring terms, as the draft rules indicate. However, summer is often cited as the optimum time for dual credit because it allows students to focus almost exclusively on the dual credit class and because it would provide academic gains rather than the losses customarily associated with the summer break. Therefore, the LESC may wish to consider prescribing conditions for enrollment in dual credit during the summer specifically.
- Another eligibility issue is the phrase "enrolled . . . in a regular public school or charter school," which would seem to exclude students enrolled in the New Mexico School for the Deaf and the New Mexico School for the Blind and Visually Impaired. Likewise, the requirement of being enrolled in one-half or more of the minimum course requirements would seem not to apply to these students either, as those schools are not supported through the State Equalization Guarantee but through direct appropriations and Permanent Fund revenues. Therefore, the LESC may wish to consider addressing the dual credit needs of these students and students at the other state-supported schools.

Another potential issue relates to funding:

- In discussions at the beginning of the interim, as well as more recently, school district officials have expressed their apprehension over the cost of the textbooks and course supplies that the law requires them to provide. The statute tries to minimize this effect by requiring students to return the textbooks to the district or charter school; and the Uniform Master Agreement encourages postsecondary institutions to adopt textbooks for at least a three-year cycle. Even so, if the cost of textbooks becomes a barrier to student participation in dual credit, the LESC may wish to consider an appropriation or some other action to mitigate these costs.

Presenter:

For this presentation, Dr. William V. Flores, Deputy Secretary for Academic Affairs, Planning, and Research, HED, will provide an update on the status of the joint rules to implement the dual credit program provided in statute and the progress toward consistent and comprehensive collection of data. Dr. Flores will also describe the status of the department's revision of the higher education funding formula to encourage postsecondary institutions to waive tuition for dual credit courses.

In addition to Dr. Flores, the members of the Dual Credit Committee have been invited to attend to respond to questions, as needed.